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January 21, 2020

Performance Audit  
Recommendations and  
Corrective Actions for Audit:  
18-05

CHOICES FOR CARE

Improved Controls and Processes  
Could Reduce Risk of Improper  
Payments and Suspicious  
Transactions

Dated: July 27, 2018

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# Overview

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The State Auditor's Office (SAO) makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Audit Number & Name	Rec #	Recommendation	Follow-Up Date	Status	Review Comments
<a href="#">18-5 Choices for Care: Department of Disabilities, Aging &amp; Independent Living - Improved Controls and Processes Could Reduce Risk of Improper Payments and Suspicious Transactions</a>	1	Evaluate the improper payments identified during this audit and seek reimbursement when feasible.	2019	Implemented	The Department of Disabilities, Aging & Independent Living (DAIL) and the Department of Vermont Health Access (DVHA) determined that of the roughly \$150,000 of improper payments identified in the audit, \$117,159 was recoupable. This amount was received from ARIS in February 2019.
			No further follow-up is required because the recommendation was implemented.		
	2	Review the method ARIS uses to process payroll for weeks that include more than 40 hours of work and ensure that attendants are being paid in accordance with the DAIL requirements.	2019	Implemented	The DAIL states that they reviewed the method used by ARIS to calculate overtime and determined that it was sound.
			No further follow-up is required because the recommendation was implemented.		
	3	Require ARIS to implement a control that enforces the 720-hour limit on companion/respite care unless there is a variance.	2019	Not Implemented	The DAIL has proposed a change to this regulation that would eliminate this requirement. We will reevaluate this assessment once the proposed rule is approved.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.
	4	Submit a request to DXC Technology to modify the Medicaid Management Information System (MMIS) edit that enforces the 720-hour limit on companion/respite care so that it allows a maximum of 2,880 quarter-hour units unless the DAIL issues a variance.	2019	Not Implemented	The DAIL has proposed a change to this regulation that would eliminate this requirement. Nevertheless, the DVHA is also exploring system changes to improve controls related to billing for Choices for Care (CFC) to ensure that budget caps are not exceeded. We will reevaluate this assessment once the proposed rule is approved and decisions about system changes made.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.
	5	Submit a request to DXC Technology to develop an MMIS edit to disallow personal care services (PCS), companion, and respite claims for consumers in a hospital.	2019	Implemented	In July 2019, the MMIS was modified to disallow PCS, companion, and respite claims for consumers in a hospital.
			No further follow-up is required because the recommendation was implemented.		
	6	Ensure that the electronic visit verification (EVV) initiative explores ways to improve processes and controls over CFC consumer or surrogate-directed services authorizations and payments.	2019	Not Implemented	The DVHA plans to implement the EVV initiative by January 2021.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.
	7	To the extent that improper payments identified in this report are not recouped within the timeframes required by the Centers for Medicare and Medicaid Services (CMS), report them as overpayments to the Agency of Human Services for reporting to the CMS.	2019	No Longer Applicable	The improper payment was recouped within the permitted timeframe. The recommendation is therefore no longer applicable.
			No further follow-up is required because the recommendation is no longer applicable.		

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<a href="#">18-5 Choices for Care: Department of Disabilities, Aging &amp; Independent Living - Improved Controls and Processes Could Reduce Risk of Improper Payments and Suspicious Transactions</a>	8	In conjunction with the DAIL, develop a utilization review process of consumer or surrogate-directed services that checks the extent to which consumers are under- or over-utilizing authorized services at the consumer level. This could be achieved by developing an interface between the Social Assistance Management Systems (SAMS) and MMIS that allows for the comparison of consumers' service limits and actual claims.	2019	Not Implemented	The DAIL is exploring solutions to address this recommendation.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.
	9	Direct the program integrity unit to work with the DAIL, ARIS Solutions, Inc., and the Medicaid Fraud and Residential Abuse Unit to perform periodic analysis of CFC consumer or surrogate-directed services timesheet and payroll data to identify potential areas of fraud and abuse.	2019	Not Implemented	The DVHA expects to review the intragovernmental agreement between the DVHA and the DAIL in early 2020 and clarify the role of the Program Integrity Unit.
			2021		The three-year recommendation follow-up for this audit will be conducted in 2021.